

GOVERNMENT OF TELANGANA  
ABSTRACT

Micro Small and Medium Enterprises - For growth and promotion of Micro and Small Enterprises, National Small Industries Corporation Limited a Government of India enterprise is included as one of the supply agencies for supply of the products in the State of Telangana on behalf of Micro and Small Enterprises - Orders – Issued.

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INDUSTRIES & COMMERCE [FP&MSME] DEPARTMENT

G.O.RT.No. 59

Dated: 15/02/2016  
Read the following:-

1. From the Senior Branch Manager, National Small Industries Corporation Limited, Hyderabad, Lr.No.NSIC/HYD/IntMktg/15-16, dt:13.5.2015
2. From the Deputy General Manager, National Small Industries Corporation Limited, Hyderabad, Lr.No.NSIC/HYD/IntMktg/15-16, dt:2.12.2015
3. From the Commissioner of Industries, Hyderabad, Single File No.COI/MSME/2015, dt:2.11.2015

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ORDER:

In the reference 1<sup>st</sup> read above, the Senior Branch Manager, National Small Industries Corporation Limited (NSIC), Hyderabad has stated that the National Small Industries Corporation Limited (A Government of India Enterprise) established in the year 1955 is involved in the growth and promotion of Small Scale Industries throughout the Country through its various Financial and Commercial activities having an annual turnover of around Rs.19,500 crores (approx.) for financial year 2014-15 with its 167 branch offices across the Country in all States. As per Gazette of India published vide No. Part-II- Section-I, dt:16.6.2006 (The Micro Small and Medium Enterprises Development Act 2006) states the National Small Industries Corporation Limited is an approved "Supplier". Also as per Gazette of India published vide No. Part-II-Section 3-Sub Section (ii) dt:26.3.2012 Order S.O.581(E) the Central Government Ministries, Departments and Public Sector Undertaking shall procure minimum of 20% of their annual value of goods or services from Micro and Small Enterprises and the Public Procurement Policy (PPP) shall apply to Micro and Small Enterprises (MSE) registered with the National Small Industries Corporation Limited.

2) He has also stated that in exercise of the power conferred in sec. 11 of the MSMED Act, it is mandatory for procurement from MSEs. Every Central Ministry or Department or Public Sector Undertaking shall procure from MSEs from the financial year 2012-13 onwards, with the objective of achieving an overall procurement of minimum of 20%, of total annual purchases of products produced and services rendered by MSE. Annual goal of procurement also include sub-contracts of MSE and consortia of MSE formed by NSIC. In this endeavor, NSIC has been facilitating the MSEs technically, financially and also marketing their products. There are 5000 (approx.) units registered for various products with NSIC, Branch Office, Hyderabad, for marketing their products directly and indirectly (through NSIC). Under the marketing activities, NSIC promote the products of SSI to various Central/State Government Departments. NSIC is an approved supplier to the Government Departments vide Government of India Lr.No.P-III-8(6)/93, dt:21.5.1997 and also as per the MSMED Act 2006 where NSIC has been treated as approved supplier to the Government Departments. NSIC has been supplying various products to Central and State Government Departments. NSIC is supplying products manufactured by the MSE and facilitating the MSEs in marketing products to the State/Central Departments. In view of this for the upliftment of the MSEs in the State it is requested the Government for considering NSIC as one of the approved supplier for supply of the products manufactured by MSEs on par with other Government organizations like APCO, SERIFED etc. The Senior Branch Manager, NSIC has also informed that they are interested in supply and execution of various Products/Services through their registered Micro & Small Scale Industries. NSIC assure that they can provide good quality at competitive prices and suffice all requirements through their associate Units for all purchase requirements. He has also requested to consider the provisions made for the MSEs. Finally, he has requested to consider NSIC as an approved supplier/Nodal Agency and to issue a Government order to consider the same for all purchase requirements as this gesture will help in the growth and development of Micro & Small Scale Industries.

(p.t.o)

3) In the reference 2<sup>nd</sup> read above, the Deputy General Manager, National Small Industries Corporation Limited, while quoting the above has stated that with reference to Circular No.PIII:: (6)/03, dt:21.5.1997 National Small Industries Corporation Limited is treated as registered suppliers against DGS&D rate contracts. Further, stated that with reference to aforesaid circulars wherein National Small Industries Corporation Limited has been granted special status with regards to Small Scale Industries, and requested the Government to issue necessary orders to all the indenting Departments on behalf of Government of Telangana stating:

NSIC is a Nodal Agency and supplier to Government Departments and is involved in the growth and promotion of MSEs in the State of Telangana. The indenting Departments can also procure from NSIC who in turn supply the goods and services on behalf of units located in the State of Telangana.

4) In the reference 3<sup>rd</sup> read above, Commissioner of Industries has stated that the Government in order to encourage the establishment and growth of local MSEs/SSI units, have been issuing orders and instructions from time to time, to facilitate marketing of products manufactured by MSE units, through price preference and purchase preference for marketing of goods manufactured by the local small scale MSEs/SSI units [G.O.Ms.No.1020, Industries & Commerce (SSI) Dept, Dt.30.11.1976]. The Commissioner of Industries has also informed that as per G.O.Ms.No.437, Ind & Com. Dept., Dt.5.9.1983, the Government has provided price preference upto 10% as applicable to the small scale industries and as per the Chapter VII Art 123 of Andhra Pradesh Financial Code the price preference to cottage and small scale industries is 10% at the time of procurement.

5) Government after careful examination of the matter has decided to include the National Small Industries Corporation Limited, a Government of India enterprise, as one of the supply agencies for supply of the products manufactured by the Micro and Small Enterprises to the Government Departments who in turn supply the goods and services on behalf of Micro and Small Enterprises located in the State of Telangana on par with other Government organizations like APCO, SERIFED etc. duly following the guidelines issued in G.O.Ms.No.1020, Dt.30.11.1976 and G.O.Ms.No.437, dt.5.9.1983 respectively regarding price fixation/price preference for growth and promotion of MSEs.

6) The Commissioner of Industries, Telangana, Hyderabad shall take necessary further action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA STATE)

SABYASACHI GHOSH  
SECRETARY TO GOVERNMENT

To  
The Commissioner of Industries, Telangana, Hyderabad.  
All the Head of Departments/ Collectors/ Departments of Secretariat,  
in the State of Telangana.

Copy to:

All Section in the Industries & Commerce Department.  
The Accountant General, Telangana, Hyderabad.  
The Pay & Accounts Officer, Hyderabad.  
The Director, Treasuries & Accounts, Hyderabad.  
The Director, Micro Small and Medium Enterprises-Development Institute,  
Government of India, Narasapur-X-Road, Balanagar, Hyderabad-500 037.  
The Senior Branch Manager, National Small Industries Corporation Limited (NSIC),  
Ministry of MSME, 203, Dattasai Complex, RTC Cross Roads, Hyderabad-500 020.  
P.S. to Secretary to Government, Industries & Commerce Department.  
Sf/Sc

//FORWARDED : : BY ORDER//

SECTION OFFICER